

# MILPITAS OVERSIGHT BOARD

TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

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455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

## MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room  
455 E. Calaveras Blvd., Milpitas, CA

### MEMBERS:

*Kolvira Chheng  
Emma Karlen  
Bruce Knopf  
Michael Mendizabal  
Mike McInerney, Acting Chair  
Althea Polanski  
Glen Williams*

### ALTERNATES:

*Jenina Salcedo  
Jane Corpus Takahashi  
Alan Minato  
  
Michael Murdter*

## Minutes of the August 10, 2015 Meeting

### **I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Acting Chair McInerney called the meeting to order at 2:02 p.m.

#### **ROLL CALL**

**MEMBERS PRESENT:** Kolvira Chheng, Emma Karlen, Bruce Knopf, Michael Mendizabal, Mike McInerney, Althea Polanski and Glen Williams

**MEMBERS ABSENT:** None

### **II. PUBLIC FORUM**

1. Ms. Linda Arbaugh addressed the Board saying she has been a resident of Milpitas for 35 years, 28 of those affiliated w/Milpitas Library. She asked for the land north of the library to be retained for the purpose it was purchased, as a park. Ms. Arbaugh said the library is the busiest public building in the City with about 650,000 people using it annually. Such use, she added, causes automobile and foot traffic and congestion, and if the adjacent land were to be sold for residential or retail use, the traffic situation would considerably worsen. Ms. Arbaugh said a park however, would complement the library, which she called the jewel in the crown in Milpitas. She invited the Board to visit the library's north wing 2nd floor to view the Milpitas hills, a view she said will be destroyed if high-rises are built next door.

2. Ms. Harriett McGuire addressed the Board saying she is a 40-year resident of 1620 Crater Lake Ave, past president and a current board member of the Milpitas Historical Society, and whose husband was a former Parks & Rec Director for Milpitas. She asked for the land next to the library to be a park, saying that a park would both serve seniors across the street at the senior housing development, as well as people using the library. Ms. McGuire said the City Council and staff had

planned to have a park there, and that she wants a park and a museum for the history of Milpitas, rather than another high-rise.

3. Mr. Jerry Epps addressed the Board saying he is a resident at 1378 Mt. Shasta Ave in Milpitas. He asked the Board to consider the best use of the land, disregarding special interest, political wrangling or personal animosities. Mr. Epps said that a small park is already envisioned, coinciding with the best and highest goal for the property, to serve library users and nearby residents. He added that the Milpitas library has patrons from Alviso, North San Jose and the Berryessa area, as well as residents of the nearby senior housing complex, who have no other such amenity within walking distance. Mr. Epps also said doctors, nurses and patients at Santa Clara Valley Health Center would benefit from having the property as a green spot for Milpitas, San Jose and Santa Clara County.

### **III. APPROVAL OF AGENDA**

Mr. Tom Williams introduced Mr. Scott Pinsky, Attorney at Law who is working with Interim City Attorney Gary Baum.

Moved by Mr. Glen Williams and seconded by Ms. Polanski to approve the agenda. The motion passed unanimously.

### **IV. APPROVAL OF MINUTES FOR June 29, 2015 Meeting.**

Acting Chair McInerney noted the following corrections:

Page 1, under **ALTERNATES**; Change the spelling from Rudy "Nasal" to Rudy Nasol.

Page 1, under **CALL TO ORDER**; Change the time from 4:00 p.m. to 2:00 p.m.

Page 1, under **ROLL CALL: MEMBERS PRESENT**; Change the spelling from Althea "Polanski" to Althea Polanski.

Moved by Mr. Knopf and seconded by Mr. Williams to approve the minutes as amended of June 29, 2015 meeting. The motion passed by the following vote. **AYES:** Karlen, Knopf, McInerney, Mendizabal, Polanski and Williams **NOES:** 0 **ABSTAIN:** Chheng **ABSENT:** 0

### **V. OLD BUSINESS**

None

### **VI. NEW BUSINESS**

#### **A. Election of Chair and Vice-Chair per Oversight Board Rules and Regulations Article II, Section 200.**

This item was prompted by the appointment of Mr. Kolvira Chheng to the Board by the Santa Clara County Office of Education. The election was conducted as outlined in Robert's Rules of Order with modifications to be consistent with the Brown Act.

Acting Chair McInerney opened the floor to nominations for Chair.

Ms. Polanski nominated Mr. McInerney, which he accepted.

Seeing there were no other nominations, Acting Chair McInerney closed the nominations.

Mr. McInerney was elected Chair by a unanimous vote.

Chair McInerney opened the floor to nominations for Vice-Chair.

Mr. Williams nominated Mr. Knopf, which he accepted.

Seeing there were no other nominations, Chair McNerney closed the nominations.

Mr. Knopf was elected Vice-Chair by the following vote: **AYES:** Chheng, Knopf, McNerney, Mendizabal, Polanski and Williams **NOES:** 0 **ABSTAIN:** Karlen **ABSENT:** 0

**B. Report from Ad Hoc Committee of Oversight Board Recommending Consideration and Adoption of Resolution No. 65 of the Oversight Board Approving a Request for Proposal (RFP) Process for the Sale of Property No. 5 listed on the Long Range Property Management Plan and Located at 540 S. Abel Street (APN 086-10-025 and Referenced as “Cracolice Building.”**

Ms. Montoy presented the staff report that the Oversight Board Ad Hoc Committee recommends adoption of Resolution No. 65, approving a request for proposals (RFP) for the sale of Property No. 5, listed on the Long Range Property Management Plan and located at the 540 S. Abel Street.

Mr. Tom Williams asked for the record that development of the RFP also included active participation by City and Successor Agency staff consistent with the settlement agreement. An appraisal of the property was provided for background purposes and the Successor Agency/City have been active and compliant throughout this process.

Mr. Donald Peoples said he spoke in the past about this property because he says it is a very valuable property to this community. He said the community of Milpitas was long established before there was a Santa Clara County and it started when people called the area home. Mr. Peoples said Judge Weller donated land for a grammar school that could later become a library. The building known as the Cracolice Building, named for Sal Cracolice, also known as Mr. Milpitas, was built for the children of this town. Mr. Peoples stated he was on the board of the YMCA until it was closed, largely because the City needed it to be a senior center while a new one was being built, which was an important role in the town’s past. Mr. Peoples continued to say that for there to be a mechanism where the property would be taken from the citizens of Milpitas, would be despicable and a blow to the community. Mr. Peoples said this property has had a past, it will have a future and it can play a lot of different roles for this community which will benefit everyone. Whoever would buy it, maybe somebody would put a private school there. The best benefit is with this community. He said to work out some mechanism to keep it here, honor the past, honor Mr. Cracolice and honor the people of Milpitas who have donated their time and money to make this something special. Mr. Peoples begged the Board to figure out how not to put this property up for sale.

Ms. Harriett McGuire told the Board she would speak to the same things Mr. Peoples stated: Keep the property in the community, where it has been for many years, for so many good public uses. Ms. McGuire said they have had the YMCA, the senior citizen group there, and where she taught art. Ms. McGuire concluded by asking the Board to not take the property away and to find some way to work this out.

Mr. Steve Munzel told the Board he is a resident of Milpitas, vice-chair of the Milpitas Parks & Rec Commission, and also a commissioner on the Santa Clara County Parks & Rec Commission. Mr. Munzel encouraged the Board to listen to the folks that have been speaking about the property, as it represents the only community center satellite in the downtown area where homes are being built for thousands of people but without services. He says the property is one acre where someone could shoot of few hoops in a gymnasium, take art classes, and so forth. He said this facility over the years, has served the youth of Milpitas, the seniors of Milpitas and those in education in Milpitas. Mr. Peoples said this is a good community and this is public property which, under the Board’s rules has to be left with the community and not sold off to provide revenue for different agencies. Mr. Munzel encouraged the Board to think about this carefully and to consider saving this for the community and people of Milpitas.

Ms. Polanski commented that even though she is on the ad hoc committee, has reviewed and understands the Board’s action, and believes a good job was done on the RFP, she will be voting no. She said she believes the property should be kept for governmental, public use. Ms. Polanski said she does not want to see it sold and she will be voting no on this resolution.

Mr. Knopf said he appreciated members of the community telling the Board about the property’s history. He said that the position this Board was in when it was reviewing the LRPMP, actually before that when it was reviewing properties that were proposed by the Successor Agency for transfer to the City, the only ability the Board had within its authority was to evaluate whether or not they were being used for a governmental purpose at the time. And, based on information that was presented to the Board, it was unable to make that finding and the Board made a decision not to place it on the list for transfer to the City as a property that is currently under governmental use. The Board placed it on the LRPMP for sale. He said it is important to understand how it got to where it is and, he will be voting for moving forward with the RFP.

Ms. Karlen said to Mr. Knopf that she thinks that when he said we were unable to make that finding, the City actually had active Recreation programs going on at that site. Ms. Karlen said she does not understand why this Board could not make that finding. Ms. Karlen said she agrees with Board Member Polanski that these are part of the properties that need to be for RFP disposition, according to the LRPMP but, she thinks this Board can still change its decision and keep it for governmental use.

Mr. Glen Williams thanked the community for coming out, making known their strong interest for the property to remain in public use, and said he was not unsympathetic to the issue. Mr. Williams said the County owned the site until 2005, and was active early on in providing youth services at the Cracolice Building. He also said that despite a long term investment in this site for public use, neighborhood resistance prevented a proposed public use for the Cracolice Building and so when the Board made a decision, the uses of the center were sporadic and predominately rental. Mr. Williams further stated that when the Board made the decision, it could not find that the site was currently in active government use, and now that it has gone through the process with DOF and DOF has certified this as one of the properties it is expecting the Successor Agency to sell. Mr. Williams said he does not believe DOF would entertain any motion by the Board to reverse its decision and that he was unable to justify why the Board would make that recommendation. He said uses for the center are still intermittent and predominately leased property uses, as when the decision was made. Mr. Williams said he will vote for the RFP to go out under its current terms, and due to the property's zoning restriction and general plan designation, is hopeful for a successful bidder with a strong public use that will meet current community needs and will return money to the school district and to taxing entities that originally paid for it.

Mr. Mendizabal said he is a Board Member appointed by the Community College District, and one thing he agreed with for this area was having a public place amidst all the new housing that is going in. He said it does not replace this property but, hopefully with the new school and park going in not too far from the site, that it will more than serve that community in that facility. Mr. Mendizabal spoke about the City having considered putting in the teen center but decided not to, partially because of the location and because high school and middle school students were more able to access the sports center. He said the food pantry talked about moving there and that was met with great outcry from the local community, adding to what he believed were undue concerns about drug addicts and homeless people taking over the area. Mr. Mendizabal said he would be voting in favor of this recommendation, as a member of the community and not as an appointee from someplace else.

After a lengthy discussion it was moved by Mr. Williams and seconded by Mr. Mendizabal to approve adopting Resolution No. 65 and to accept the report of the ad hoc committee. The motion passed by the following vote: **AYES:** Chheng, Knopf, McInerney, Mendizabal & Williams **NOES:** Karlen & Polanski

Mr. Tom Williams said for the record that the successor Agency staff over and over again recommended to the Oversight Board that this particular site, as well as the park north of the library, be designated as public use. He said the record repeatedly shows this, along with Oversight Board discussions about the corporation yard, police station and fire stations designated as marketable, and not public use. He said the Board had the ability to designate it as public use and still has the ability to re-designate it as public use, amend the LRPMP, and re-submit it to DOF to re-consider the property for public use.

**C. Status Report from Successor Agency Regarding: 1) Transfer of 93 North Main Street (County Health Center Parking Garage) to the County of Santa Clara, 2) Signing of Appraisal Contract, 3) Processing of Approved Santa Clara County and Montoy Law Invoices for Services Rendered.**

Ms. Montoy introduced this item and gave a status report on each.

1. Transfer of 93 North Main Street – This was approved in accordance with the LRPMP and a resolution was submitted to the California Department of Finance and DOF approved that disposition.
2. Signing of Appraisal Contract – This was approved by the Board which to this date has not been executed. There have been discussions at different times that it would be signed as recently as last week. Ms. Montoy deferred to Mr. Tom Williams for comment.
3. Processing of Approved Santa Clara County and Montoy Law Invoices for Services Rendered - Ms. Montoy deferred to Mr. Tom Williams for comment.

Mr. Tom Williams said that in light of pending and ongoing litigation, and a possible upcoming hearing on these matters in October, he is unable to comment on Items C1 & C2. Mr. Williams commented on Item C3 regarding the processing of the



Montoy Law Firm invoices. Mr. Williams thanked and commended Chair McInerney for cooperatively working with the Successor Agency and for providing the information that the Successor Agency has requested for almost a year.

Ms. Montoy asked Mr. Tom Williams if there is a specific date in October for the hearing. Mr. Williams and Mr. Pinsky said it was in mid-October and would provide the date to Ms. Montoy.

Mr. Mendizabal inquired about the Santa Clara County invoices. Mr. Tom Williams replied that those that had been submitted have been paid.

Chair McInerney said that County invoices are part of the pending litigation. There were County invoices that Chair McInerney could not determine whether they had been approved and submitted so he submitted them to the Successor Agency and that is why he asked for a status. Mr. Williams said they are processing the County invoices in a timely manner as they receive them.

Mr. Mendizabal asked if the Board was a part of the pending lawsuit. Ms. Montoy said she has only been with the Oversight Board since January of 2015 and it was her understanding that the litigation was between the County and the Successor Agency's City. She said there was a settlement back in July of 2014 and the parties were the County and the County Office of Education vs. the City and related agencies and the California Department of Finance was also a real party of interest. It is her understanding that the County was asking this be re-heard because some of the issues that have not been resolved.

#### **VII. SET NEXT MEETING DATE**

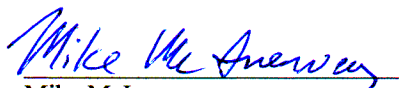
It was agreed that the next meeting will be held Monday, September 14, 2015 at 2:30 p.m.

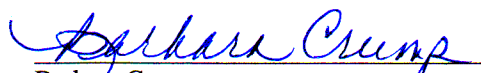
#### **VIII. MEETING ADJOURNMENT**

Moved by Mr. Williams and seconded by Ms. Polanski, Chair McInerney adjourned the meeting at 2:59 p.m. on the consensus of the Board.

*Meeting minutes drafted and submitted by  
Barbara Crump, Board Secretary*

*Approved on September 14, 2015:*

  
Mike McInerney  
Oversight Board Chair

  
Barbara Crump  
Oversight Board Secretary